



*Fauquier County Board of Supervisors
Proffer Policy*

*Adopted: October 21, 2002
Revision Dates: February 24, 2003; July 21, 2003*

ORIGINAL ADOPTION RESOLUTION

A RESOLUTION ESTABLISHING THE FAUQUIER COUNTY PROFFER POLICY FOR RESIDENTIAL ELEMENTS OF REZONING APPLICATIONS

WHEREAS, the Board of Supervisors requested on March 18, 2002, that the Planning Commission update the 1999 Proffer Policy Analysis Report and provide recommendations; and

WHEREAS, the Planning Commission reviewed and updated the Proffer Policy Analysis Report and prepared a Proffer Policy regarding residential development and its public infrastructure costs for consideration; and

WHEREAS, the Planning Commission conducted a public hearing on September 26, 2002 on the Proposed Proffer Analysis Report and Proffer Policy;

WHEREAS, the Planning Commission forwarded the Proposed Proffer Policy to the Board of Supervisors with a unanimous recommendation for adoption; and

WHEREAS, the Fauquier County Board of Supervisors held a public hearing on October 21, 2002; and

WHEREAS, the Board of Supervisors finds this Proffer Policy to be in the best interest of the citizens of Fauquier County and provides another refined tool with which to deal with infrastructure costs generated through proposed residential rezoning applications; now, therefore, be it

RESOLVED by the Fauquier County Board of Supervisors this 21st day of October 2002, That the Proffer Policy presented below shall apply to all residential elements for any rezoning application.

A RESOLUTION AMENDING THE BOARD OF SUPERVISORS PROFFER POLICY

WHEREAS, the Board of Supervisors, through the Fauquier County Comprehensive Plan, has established goals and objectives establishing the significance of preserving historic resources and rural viewsheds; and

WHEREAS, that significance needs to be included within the adopted Fauquier County Proffer Policy; now, therefore, be it

RESOLVED, by the Fauquier County Board of Supervisors this 24th day of February 2003, That the following revision to B. Methodology and Policy Terms is approved:

4. Fauquier County will continue to consider any unique circumstances about a proposed development, ~~that: (i) mitigate the development's projected impact on public facilities; and~~

~~(ii) create a demonstrable reduction in capital facility needs. Unique circumstances may include, but not be limited to, participation in regional road projects and affordable housing projects. Either the County or the applicant may identify such projects and present the justification for Board of Supervisors consideration.~~

***FAUQUIER COUNTY, VIRGINIA
BOARD OF SUPERVISORS PROFFER POLICY***

A. General Guidelines

1. Pursuant to this policy, staff will (i) calculate the annual net cost of public facilities, (ii) calculate the fiscal impact of a rezoning request that permits residential uses and (iii) administer the collection and expenditure of proffered funds. The Board will accept cash proffers for rezoning requests that permit residential uses in accordance with this policy. However, the Board may also accept cash, land, conservation easements or in-kind improvements in accordance with county and state law. Staff will provide a recommendation for a maximum proffer based upon this policy.
2. Historic experience has demonstrated that revenue derived from residential growth (residential and commercial real estate taxes, sales taxes, fees, and associated revenue sources) typically will not pay all of the normal operating costs for service delivery to residents of new developments, with no funds remaining to compensate for the cost of public facilities needed to serve these residents. State and county laws permit the Board to accept cash proffers to fund the public facility needs generated by any new residential development.
3. In determining the net cost per dwelling unit of a public facility, staff relies on countywide averages, where possible. In addition, staff will consider the five components described below, as well as any other unique circumstances of which might qualify, related to an individual zoning case.
4. To determine how and where a proffer will be spent, the County is divided into service districts. For facilities which have a Countywide service implication, (for example, parks, libraries and fire & rescue stations), the proffer may be spent Countywide. For roads and schools, the proffer will generally be spent within the associated school service areas as described below, except in circumstances, which warrant otherwise.
5. The following public facilities will be funded by cash proffers: schools, roads, parks, libraries, fire and rescue facilities, and sheriff facilities. The County does not currently accept cash proffers to fund public facilities such as jails, and other government facilities.

B. Methodology and Policy Terms

1. There are five "components" involved in calculating what a new dwelling unit will cost the County in terms of providing public facilities. The components are as follows:

- a. Demand generators - Staff uses the weighted average of single family and multi-family persons per household (2.75 FY 2002) and an average number of students per household (.75 for FY 2002) to calculate demand generators (number of people and number of students) associated with a new dwelling unit.
 - b. Service levels - Staff calculates existing service levels for each type of facility for which a cash proffer will be accepted (Service levels are calculated annually)
 - c. Gross cost (replacement) of public facilities. - Staff calculates the gross cost of public facilities. The term gross cost is used because a credit (described in (d) below) for anticipated future revenues from a new dwelling unit will be applied against the gross cost.
 - d. Credits - Staff calculates a credit to apply against the gross cost for each public facility. Fauquier County has issued and plans, dependent upon fiscal constraints, to continue to issue general obligation bonds to finance the construction of public facilities. Residents of new developments will pay real estate taxes to the County and a portion of these taxes will go to help retire this debt. So that new dwelling units are not paying twice (once through payment of a cash proffer and again through real estate taxes) a credit is computed.
 - e. Net cost - Staff calculates the net cost per public facility or maximum cash proffer. This is the gross cost per public facility minus the applicable credit per public facility.
2. There must be a relationship between the rezoning itself and the need for a public facility. In order to ensure that money proffered by an applicant is used to fund the public facilities necessitated by the development, service areas or districts are established across the County.
 - a. Since parks, libraries, and fire and rescue stations serve areas greater than a specific service district, the geographic service areas for these facilities are determined to be Countywide. Rezoning requests can be analyzed on a Countywide basis to determine their impact on these facilities and proffers may be spent to fund these facilities Countywide.
 - b. Rezoning requests can be analyzed on a Countywide basis to determine their impact on schools. In order to ensure that money proffered by an applicant is used to fund the public facilities necessitated by the development, the county is divided into two school service areas corresponding to the attendance zones of grouped high schools.

Service Area One corresponds to the combined attendance zone for Fauquier High School and all its feeder elementary and middle schools, Service Area Two corresponds to the combined attendance zone for Liberty High School and its feeder elementary and middle schools. Funds collected from a development within a District will be spent on school improvements within that District or for any school

improvement, which provides relief for the District within which the development is located.

- c. With respect to public streets, rezoning requests shall be analyzed based on project consistency with the Comprehensive Plan, VDOT recommendations, and the Traffic Impact Analysis (TIA). Residential rezoning applications, with average daily trip generation rates of 1,000 or greater, or due to other VDOT threshold requirements, will be required to submit a TIA, which examines VDOT/County designated offsite intersections, existing traffic conditions, future traffic conditions (without and with the project), level of service impacts at specified phases, and recommended improvements and/or other mitigation measures.

Proffered improvements must be timed with proffered phases and associated threshold residential unit totals. Proffered cash contributions for transportation improvements shall be placed in specified County accounts to ensure expenditure for those identified improvements.

3. In some instances, a rezoning applicant may wish to diminish the development's calculated impact on public facilities by dedicating property ~~or~~ doing in-kind improvements or dedicating conservation easements limiting development on other properties within the rezoning's impact area, in lieu of all or a portion of the cash proffer. Land conveyed for County facilities shall be deeded to the County or its designee. The value of donated land generally will be based on the current assessed value of the property, not to exceed the cost per acre used in the calculation of the proffer (not the estimated value after rezoning). The value of a conservation easement dedication will generally be the total number of development units lost to easement times the value of a development unit as set by the County's Purchase of Development Rights Program. The form and content of any deed or conservation easement along with the entity to which the easement will be transferred will be subject to the approval of staff and final acceptance by the Board of Supervisors. *[Remainder of Subsection 3 is not modified.]*

The value of improvements shall be the estimated cost if constructed by a governmental entity. If the dedication or in-kind improvement does not fully alleviate the development's calculated impact on public facilities, then the dedication and/or improvement's value may be applied as a credit against the development's calculated impact on the applicable public facility. The credit cannot exceed the development's calculated impact on the applicable public facility.

4. Fauquier County will continue to consider any unique circumstances about a proposed development.
5. Payment of the cash proffer for residential development must occur prior to release of a building permit. Timing for dedication of property, conservation easements, or in-kind improvements should be specified in the proffer statement.

6. Proffered conditions shall provide for disposition of real property or cash in the event the property or cash payment is not used for the purposes for which tendered.
7. Adjustments in the cash proffer amount may be considered every fiscal year. Staff will re-compute net costs based on the current methodology and recommend adjustments. Any adjustments would be effective upon adoption, but no sooner than July 1 of the new fiscal year.
8. The maximum cash proffer that the Board of Supervisors will accept from residential rezoning applicants is \$14,730 per dwelling unit. The Proffers should identify an appropriate index, such as the Consumer Price Index, to provide an adjustment for inflation. It needs to be noted that this total does not include the cost of offsite road improvements proffered by the applicant, or other utility requirements under the auspices of the Fauquier County Water and Sanitation Authority.

<u>FACILITY</u>	ELS**per unit
SCHOOLS	\$11,890
Parks and Recreation	\$730
Libraries	\$303
Fire and Rescue	\$1,363
Sheriff	\$389
Transportation*	not applicable
Environmental Services: Landfill	\$179
Totals	\$14,854
Credit: Debt Service	(\$124)
Credit: Non-local tax**	\$0
Adjusted Total	\$14,730

* Transportation is based on traffic impact analysis for each application and consistency with the adopted Comprehensive Plan recommendations regarding the public road network.

** School cost is multiplied times 0.75%, which represents the local government share and 0.94% for other public facilities. This

calculation results in the deduction for state and federal contributions.

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